

## **STATEMENT OF PURPOSE**

### **RS20515**

The purpose of this proposed legislation is to amend the district hospital law so that it does not conflict with the amendments to Article VIII, Section 3C, Idaho Constitution, that were made by the passage of HJR 4 in last November's election. This new provision in the Constitution allows public hospitals to incur indebtedness without election as long as no ad valorem taxes are used to pay for the indebtedness.

This proposal also clearly retains the requirement of an election if indebtedness is to be payable from tax revenue and simplifies the language in that particular section.

It also maintains the ability of district hospitals to incur indebtedness through the Idaho Health Facilities Authority, which indebtedness also cannot be payable from ad valorem tax revenue.

### **FISCAL NOTE**

There is no impact to the General Fund.

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